

BATON ROUGE LITTLE THEATER, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2012

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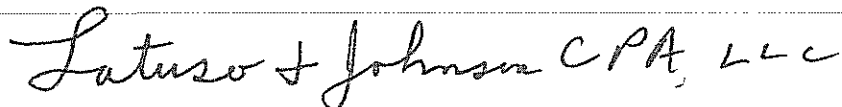
INDEPENDENT AUDITORS' REPORT

To the Board of Governors of
Baton Rouge Little Theater, Inc.
7155 Florida Boulevard
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of Baton Rouge Little Theater, Inc. (a nonprofit corporation) as of July 31, 2012, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Baton Rouge Little Theater, Inc.'s financial statements for the year ended July 31, 2011 and in our report dated February 6, 2012, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baton Rouge Little Theater, Inc. (a nonprofit corporation) as of July 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Baton Rouge, Louisiana
January 29, 2013

BATON ROUGE LITTLE THEATER, INC.
(A Nonprofit Corporation)
STATEMENTS OF FINANCIAL POSITION
JULY 31, 2012 and 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash and Cash Equivalents	\$ 4,726	\$ 20,165
Certificate of Deposit-Restricted	7,605	100
Accounts Receivable	15,053	71,355
Prepaid Expenses	<u>15,814</u>	<u>28,320</u>
Total Current Assets	43,198	119,940
Property and Equipment, Net	188,356	180,825
Restricted Investments	<u>18,147</u>	<u>17,815</u>
Total Assets	\$ <u>249,701</u>	\$ <u>318,580</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable	\$ 22,501	\$ 52,177
Line of Credit	34,678	89,625
Accrued Expenses	2,352	2,333
Total Current Liabilities	<u>59,531</u>	<u>144,135</u>
Deferred Revenues	148,063	169,235
Net Assets:		
Unrestricted	(13,499)	(24,986)
Temporarily Restricted	37,459	12,381
Permanently Restricted Endowment	<u>18,147</u>	<u>17,815</u>
Total Net Assets	<u>42,107</u>	<u>5,210</u>
Total Liabilities and Net Assets	\$ <u>249,701</u>	\$ <u>318,580</u>

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC.
(A Nonprofit Corporation)
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2012
WITH COMPARATIVE TOTALS FOR 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2012 Total</u>	<u>2011 Total</u>
Support and Revenue:					
Admissions	\$ 454,461	\$ -	\$ -	\$ 454,461	\$ 460,296
In Kind Revenue	368,169	-	-	368,169	368,866
Contributions and Grants	125,920	37,459	-	163,379	145,706
Classes and Workshops	46,245	-	-	46,245	38,217
Concessions	20,025	-	-	20,025	19,530
Rental Income	14,651	-	-	14,651	12,679
Other Revenue	6,965	-	-	6,965	14,008
Interest Income	2,738	-	-	2,738	93
Playbill Advertising	1,240	-	-	1,240	2,577
Gain on Endowment	-	-	332	332	1,857
Total Revenue	<u>1,040,414</u>	<u>37,459</u>	<u>332</u>	<u>1,078,205</u>	<u>1,063,829</u>
Net Assets Released from Restrictions	<u>12,381</u>	<u>(12,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,052,795</u>	<u>25,078</u>	<u>332</u>	<u>1,078,205</u>	<u>1,063,829</u>
Expenses:					
Program Services	776,756	-	-	776,756	810,043
Management and General	260,806	-	-	260,806	294,576
Fund Raising	3,746	-	-	3,746	6,555
Total Expenses	<u>1,041,308</u>	<u>-</u>	<u>-</u>	<u>1,041,308</u>	<u>1,111,174</u>
Change in Net Assets	11,487	25,078	332	36,897	(47,345)
Net Assets (Deficit), Beginning of Year	\$ <u>(24,986)</u>	\$ <u>12,381</u>	\$ <u>17,815</u>	\$ <u>5,210</u>	\$ <u>52,555</u>
Net Assets (Deficit), End of Year	\$ <u><u>(13,499)</u></u>	\$ <u><u>37,459</u></u>	\$ <u><u>18,147</u></u>	\$ <u><u>42,107</u></u>	\$ <u><u>5,210</u></u>

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC.
(A Nonprofit Corporation)
STATEMENTS OF CASH FLOWS
For The Years Ended July 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 36,897	\$ (47,345)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used by) Operating Activities:		
Depreciation	30,241	31,044
Decrease in Deferred Revenue	(21,172)	(1,735)
Realized and Unrealized Gain on Endowment	(332)	(1,857)
Net Changes in Assets and Liabilities:		
Decrease (Increase) in Accounts Receivable	56,302	(29,285)
Decrease in Prepaid Expenses	12,506	6,140
(Decrease) Increase in Accounts Payable	(29,676)	13,375
Increase in Accrued Expenses	19	2,333
Net Adjustments	<u>47,888</u>	<u>20,015</u>
Net Cash Provided by (Used by) Operating Activities	84,785	(27,330)
Cash Flows From Investing Activities:		
(Purchase) Redemption of Certificate of Deposit	(7,505)	45,997
Purchases of Equipment	<u>(37,772)</u>	<u>(104,361)</u>
Net Cash Used by Investing Activities	(45,277)	(58,364)
Cash Flows From Financing Activities:		
Net (Repayment) Borrowing on Line of Credit	<u>(54,947)</u>	<u>72,442</u>
Net Cash (Used by) Provided by Financing Activities	<u>(54,947)</u>	<u>72,442</u>
Net Decrease in Cash and Cash Equivalents	(15,439)	(13,252)
Cash and Cash Equivalents - Beginning of Year	<u>20,165</u>	<u>33,417</u>
Cash and Cash Equivalents - End of Year	\$ <u><u>4,726</u></u>	\$ <u><u>20,165</u></u>
Supplementary Information:		
Interest Paid	\$ <u><u>4,693</u></u>	\$ <u><u>4,759</u></u>

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC.
(A Nonprofit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JULY 31, 2012
WITH COMPARATIVE TOTALS FOR 2011

	Program Expenses	Management and General	Fund Raising	2012 Total	2011 Total
In-Kind Expenses	\$ 368,169	\$ -	\$ -	\$ 368,169	\$ 368,413
Salaries and related expenses	132,710	119,917	-	252,627	314,039
Advertising and Printing	61,686	-	-	61,686	66,807
Contract Labor - Backstage	59,953	-	-	59,953	75,090
Building Expenses	-	52,422	-	52,422	57,578
Backstage Construction	47,925	-	-	47,925	33,878
Scripts / royalties	38,543	-	-	38,543	46,706
Depreciation	15,930	14,311	-	30,241	31,044
Insurance	-	18,572	-	18,572	16,556
Costumes	14,870	-	-	14,870	20,597
Actor Workshop Expenses	13,698	-	-	13,698	15,061
Concessions	10,503	-	-	10,503	7,512
Bank/Credit Card Fees	-	10,368	-	10,368	10,144
Professional Fees	-	9,965	-	9,965	4,830
Equipment Rental & Maintenance	3,565	4,967	-	8,532	4,123
Software	3,107	3,107	-	6,214	1,772
Telephone	-	5,773	-	5,773	6,423
Business Development	-	1,540	3,723	5,263	5,035
Office Supplies	-	5,076	-	5,076	4,473
Interest Expense	-	4,796	-	4,796	4,759
Postage	-	4,763	23	4,786	5,086
Miscellaneous	-	4,133	-	4,133	2,575
Special Events	2,900	-	-	2,900	2,273
Website	2,017	-	-	2,017	4,182
Travel	1,180	-	-	1,180	1,310
Dues	-	1,096	-	1,096	908
Total Expenses	\$ <u>776,756</u>	\$ <u>260,806</u>	\$ <u>3,746</u>	\$ <u>1,041,308</u>	\$ <u>1,111,174</u>

The accompanying notes are an integral part of these financial statements

BATON ROUGE LITTLE THEATER, INC
(A Nonprofit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Baton Rouge Little Theater, Inc. is a nonprofit corporation in Baton Rouge, Louisiana, organized under the laws of the state of Louisiana. The Theater is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code for normal operations.

The purpose of the Theater is to create and direct interest locally in the civic theater movement; to produce and stage theatrical entertainments in connection therewith; to promote an interest in worthy plays and in the interpretation thereof; to interest the membership and the public in literary accomplishments, especially in the theatrical field; to establish a workshop and afford an opportunity of development to those interested in art and more particularly the dramatic art, and its allied and associated subjects.

B. Basis of Accounting:

The Theater presents its financial statements on the accrual method of accounting in conformity with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Theater and changes therein are classified and reported as follows:

Unrestricted net assets (deficit) – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor imposed stipulations that may or will be met, either by actions of the Theater and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor imposed stipulations that they be maintained permanently by the Theater.

C. Cash and Cash Equivalents:

For purposes of reporting the statements of cash flows, the Theater considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Theater's cash accounts are maintained in a commercial bank.

BATON ROUGE LITTLE THEATER, INC
(A Nonprofit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

D. Revenue Recognition:

The Theater derives its basic support in the form of annually renewed membership subscriptions. The member purchases a five (5) play regular season subscription and/or a two (2) play "Second Stage" season, entitling them to attendance and voting privileges for board elections. The regular season membership is exclusive of the summer musical and other special performances sold on a general admission basis. Sales of theater tickets for the upcoming seasons are recorded as Deferred Income and recognized as Admissions Income in the year the productions are staged. The Theater season begins on or around September 1 and ends on or around July 31 of each year.

In addition to membership subscriptions, the Theater sells individual play performance tickets. Individual tickets sold are those not sold through the season membership subscriptions.

E. Contributions and grants

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted support that increases those net asset classes, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

F. In-Kind Sponsorships and Contributions

The Organization solicits donations or sponsorships from local area businesses. This support varies in form from direct cash support to in kind contributions of products or services.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contribution of donated services that create or enhance non-financial assets or that require specialized skills, provided by individuals possessing those skills, that would typically need to be purchased if not provided by donation, are recorded at their fair market value in the period received.

BATON ROUGE LITTLE THEATER, INC
(A Nonprofit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

F. In-Kind Sponsorships and Contributions - (Continued)

Virtually all of the actors are unpaid volunteers. The value of those services are estimated and included in the accompanying financial statements in the period the productions were performed. The value of the services are recorded as In Kind Revenue and In Kind Expenses.

The Theater receives other donated services from a variety of unpaid volunteers and area businesses. Those services do not meet the criteria for recording, and therefore are not reflected in the accompanying financial statements.

The Theater has informal arrangements with other nonprofit organizations to include information in its mail-outs in return for the same service from the other organizations. No amounts have been recorded in the accompanying financial statements for the revenue and expense associated with this practice.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Theater management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

H. Property and Equipment

Expenditures for the acquisition of property and equipment are capitalized at cost. The fair value of donated property and equipment is similarly capitalized. The Theater's capitalization threshold is \$500. Depreciation is provided over the following estimated useful lives of the assets, using the straight-line method:

Buildings	15-40 Years
Equipment	5-20 Years

BATON ROUGE LITTLE THEATER, INC
(A Nonprofit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

I. Investments

The Theater has adopted FASB Accounting Standards Codification (ASC) 958-320 (Not-For-Profit Entities - Investments in Debt and Equity Securities). Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the changes in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

J. Accounts Receivable

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from generally accepted accounting principles as it approximates the valuation method.

K. Income Taxes

The Theater is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities.

NOTE 2 – RESTRICTED INVESTMENTS

The Theater has established a permanently restricted endowment fund. The fund is held in the Baton Rouge Area Foundation (BRAAF) within an investment fund which is managed for income and growth. The investment is recorded in the accompanying financial statements at its fair market value of \$18,147 at July 31, 2012.

The endowment fund represents the Theater's proportionate share of a pool of funds held by BRAAF for the benefit of the Theater and other non-profit organizations. The fair value of the pooled funds is mainly determined using level 1 inputs. FASB ASC 820 (Fair Value Measurements and Disclosures) establishes a fair value hierarchy and describes three levels of inputs that may be used to measure fair value. Level 1 inputs are based on unadjusted quoted prices for identical instruments in active markets.

BATON ROUGE LITTLE THEATER, INC
(A Nonprofit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2012

NOTE 3: PROPERTY AND EQUIPMENT - NET:

Changes in property and equipment for the year ended July 31, 2012 were as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Buildings	\$ 769,682	\$ -0-	\$ -0-	\$ 769,682
Equipment	<u>299,768</u>	<u>37,772</u>	<u>10,330</u>	<u>327,210</u>
Total Cost	1,069,450	37,772	10,330	1,096,892
Accumulated Depreciation	<u>(888,625)</u>	<u>(30,241)</u>	<u>(10,330)</u>	<u>(908,536)</u>
Net book value	<u>\$ 180,825</u>	<u>\$ 7,531</u>	<u>\$ -0-</u>	<u>\$ 188,356</u>

Depreciation expense for the year ended July 31, 2012 was \$30,241.

NOTE 4: ADVERTISING

The Theater expenses advertising production costs as incurred.

A significant portion of the advertising cost is donated or traded in exchange for advertising space in the playbills. The value of the donated or traded advertising is included in revenue as In Kind Revenue and in expenses as In Kind Expenses.

Advertising and printing expense, exclusive of in-kind, for the year ended July 31, 2012 was \$61,686.

NOTE 5: NET ASSETS

The Theater's Net Assets consist of Permanently Restricted and Temporarily Restricted Net Assets. The permanently restricted net assets consist of an endowment fund that is held in the Baton Rouge Area Foundation within an investment fund which is managed for income and growth. This investment is recorded in the accompanying financial statements at its fair market value of \$18,147 at July 31, 2012. The temporarily restricted net assets consist of funds contributed from private donors designated for future productions and the Annual Fund that is held in the operating account. The Annual Fund is monies donated each year to be used for their annual season. The temporarily restricted net assets were \$37,459 for the year ended July 31, 2012.

BATON ROUGE LITTLE THEATER, INC
(A Nonprofit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2012

NOTE 6: LINE OF CREDIT

At July 31, 2012 the Theater had a line of credit with a limit of \$100,000 and with a renewal maturity date of December 15, 2012. Interest on the line of credit is variable at .850% over the Wall Street Journal prime rate (4.1% at July 31, 2012). Interest expense for the year ended July 31, 2012 was \$4,796.

NOTE 7: LEASE COMMITMENTS

On August 18, 1960, the Theater entered into a lease, which expires on December 30, 2057. The consideration to the landlord for this lease was the Theater's building a theater on the leased premises and operating a theater therein. The lease requires the theater to pay parking services during the term of the lease. The amount of the parking services charge is not stated in the lease. The accompanying financial statements include \$2,000 per year for the parking services.

The Theater also leases office equipment for \$152 per month under a noncancellable lease.

Total rent expense for equipment included in the accompanying financial statements is \$4,311 for the year ended July 31, 2012.

The future minimum lease payments are as follows:

YEAR ENDED JULY 31

2013	\$ 3,824
2014	2,456
2015	2,000
2016	2,000
2017	<u>2,000</u>
	<u>\$12,280</u>

BATON ROUGE LITTLE THEATER, INC
(A Nonprofit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2012

NOTE 8: IN-KIND DONATIONS

The Theater receives products and services at no charge from several patrons for advertising, graphic design, printing, talent services, and other services as needed. The amount of In-Kind Donations for the years ended July 31, 2012 are as follows:

PRODUCT/SERVICES

Talent Services	\$328,428
Advertising	26,145
Graphic Design	7,000
Printing	<u>6,596</u>
	<u>\$368,169</u>

NOTE 9 – SUBSEQUENT EVENTS

Management of the Theater has evaluated all subsequent events through January 29, 2013 the date the financial statements were available to be issued. In management's opinion there are no other significant events or transactions which are required to be disclosed in the notes to the financial statements.

Affidavit and Revenue Certification

Baton Rouge Little Theater, Inc.

East Baton Rouge Parish

Baton Rouge, Louisiana

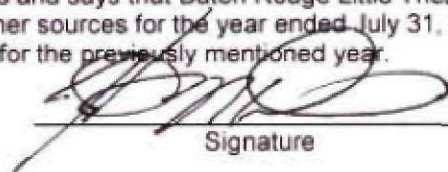
**ANNUAL SWORN FINANCIAL STATEMENTS AND
CERTIFICATION OF REVENUES \$50,000 OR LESS (if applicable)**

The annual sworn financial statements are required by Louisiana Revised Statute 24:514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. If applicable, the certification of revenues \$50,000 or less is required by Louisiana Revised Statute 24:513(l)(1)(c)(i). (The threshold is \$200,000 for Justices of the Peace and Constables.)

Personally came and appeared before the undersigned authority, _____
_____ (name), who, duly sworn, deposes and says that the financial
statements herewith given present fairly the financial position of _____
_____ (entity name) as of _____, 20____, and the results of
operations for the year then ended, in accordance with the basis of accounting described within
the accompanying financial statements.

(Complete if applicable)

In addition, Keith Dixon, Artistic Director, deposes and says that Baton Rouge Little Theater, Inc. received \$50,000 or less in revenues and other sources for the year ended July 31, 2012, and accordingly, is not required to have an audit for the previously mentioned year.



Signature

Sworn to and subscribed before me this ____ day of _____, 20____.

NOTARY PUBLIC

Officer Name	Keith Dixon
Title	Artistic Director
Address	P.O. Box 64967 Baton Rouge, LA 70896
Telephone No.	225-924-6496